

# House File 194 - Introduced

HOUSE FILE 194

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 4)

## A BILL FOR

- 1 An Act providing for a reduction in the individual income
- 2 tax rates and including effective date and applicability
- 3 provisions.
- 4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 422.5, subsection 1, paragraphs a  
2 through i, Code 2011, are amended to read as follows:

3 a. On all taxable income from zero through one thousand  
4 dollars, ~~thirty-six~~ twenty-eight hundredths of one percent.

5 b. On all taxable income exceeding one thousand dollars but  
6 not exceeding two thousand dollars, ~~seventy-two~~ fifty-seven  
7 hundredths of one percent.

8 c. On all taxable income exceeding two thousand dollars but  
9 not exceeding four thousand dollars, ~~two one~~ and ~~forty-three~~  
10 ninety-four hundredths percent.

11 d. On all taxable income exceeding four thousand dollars but  
12 not exceeding nine thousand dollars, ~~four~~ three and ~~one-half~~  
13 six-tenths percent.

14 e. On all taxable income exceeding nine thousand dollars  
15 but not exceeding fifteen thousand dollars, ~~six~~ four and ~~twelve~~  
16 eighty-nine hundredths percent.

17 f. On all taxable income exceeding fifteen thousand dollars  
18 but not exceeding twenty thousand dollars, ~~six~~ five and  
19 ~~forty-eight~~ eighteen hundredths percent.

20 g. On all taxable income exceeding twenty thousand dollars  
21 but not exceeding thirty thousand dollars, ~~six~~ five and  
22 ~~eight-tenths~~ forty-four hundredths percent.

23 h. On all taxable income exceeding thirty thousand dollars  
24 but not exceeding forty-five thousand dollars, ~~seven~~ six and  
25 ~~ninety-two~~ thirty-three hundredths percent.

26 i. On all taxable income exceeding forty-five thousand  
27 dollars, ~~eight~~ seven and ~~ninety-eight~~ eighteen hundredths  
28 percent.

29 Sec. 2. EFFECTIVE DATE AND APPLICABILITY. This Act takes  
30 effect January 1, 2012, and applies to tax years beginning on  
31 or after that date.

32 EXPLANATION

33 This bill reduces by approximately 20 percent the tax rate  
34 for each of the nine tax brackets of the individual income tax.

35 The current individual income tax rates range from a low of

1 .36 percent to a high of 8.98 percent. The bill changes these  
2 rates to a low of .28 percent to a high of 7.18 percent.

3 The bill takes effect January 1, 2012, and applies to tax  
4 years beginning on or after that date.